

**California Commission  
on  
Health and Safety and Workers' Compensation**

**MINUTES OF MEETING**

Meeting Day and Date: Thursday, March 14, 1996

Meeting Location: Employment Development Department  
722 Capitol Mall  
First Floor Auditorium  
Sacramento, California

Commission Members Present:

Chairman Tom Rankin  
Commissioner Gerald O'Hara  
Commissioner Leonard McLeod  
Commissioner Kristen Schwenkmeyer  
Commissioner Robert B. Steinberg  
Commissioner Gregory Vach

Commission Members Absent:

Commissioner Robert H. Alvarado  
Commissioner James J. Hlawek

Commission staff:

Christine Baker, Executive Officer of the Commission

Department of Industrial Relations representatives:

John Howard, Chief, Division of Occupational Safety and Health  
Frank Ciofalo, Deputy Chief, DOSH Technical and Health Services  
William S. Van Cleve, Manager, DOSH Loss Control Certification Unit  
Allan MacKenzie, M. D., Executive Medical Director, Industrial Medical Council

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*Welcome*

The meeting was called to order at 10:00 am by Chairman Tom Rankin.

*Adoption of Minutes*

Chairman Rankin asked for a motion regarding the minutes of the Commission meeting on January 18, 1996, which had been submitted for approval by Christine Baker. Commissioner O'Hara moved that the minutes be adopted, Commissioner McLeod seconded the motion, and the motion passed unanimously.

*Report on Division of Occupational Safety and Health Activities*

Chairman Rankin called upon the representatives from the Division of Occupational Safety and Health (DOSH) to give their report on DOSH activities. DOSH was represented by Dr. John Howard, Dr. Frank Ciofalo, and William S. Van Cleve.

*DOSH Loss Control Program*

The Commission is concerned that the elimination of the minimum rate law could have a deleterious impact on the provision of loss control services and therefore on workplace safety -- insurance companies could cut back or eliminate loss control services as a way of saving money to make up for reductions in the workers' compensation premium.

The Commission requested that DOSH address certain questions regarding the loss control program. The questions and the responses from the DOSH representatives are as follows:

Q 1: Has the DOSH Loss Control Unit seen a change in the types or amounts of loss control services provided since open rating?

A 1: DOSH reports that while most insurers' loss control departments seem to be trying to meet their legal obligations, severe economic pressures are being brought to bear on insurers to reduce operating costs and loss control departments are being eliminated (at some companies) or scaled back (at other companies) or are having their travel and training budgets restricted.

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Q2: Are carriers shifting the loss control workload from in-house to contracted-out and, if so, how is this affecting the quality of service?

A 2: A year ago, it was rare to see an insurer's loss control department outsourcing their account services (except for small companies). Now, DOSH hears about employers of all sizes outsourcing their account services. The effect that outsourcing has on the quality of loss control services provided to the insured is unknown.

Q3: Are there model loss control service plans that seem to have a better effect on injury prevention and on controlling losses?

A 3: Not that DOSH is aware. DOSH has seen many types of loss control service plans but has not determined that certain types are better than others.

Q4: Please provide information regarding the amount of money or percentage of budgets that are being dedicated to loss control services both before and after the open rating. If this is not possible, please provide us with your baseline information.

A 4: Insurance Code Section 11721 requires the insurer's "annual health and safety loss control plan" to "include a budget..." Since there is no uniformity in insurers' plans when it comes to their "budgets", the Loss Control Certification Unit cannot provide generalizable data about budgets pre- and post-open rating. Furthermore, §11721 provides that "any information provided to the director under this section shall remain confidential except for aggregate statistical data."

Q5: What is the basis for determining which employers are candidates for your loss control services audits?

A 5: Since the LCCU has only been allocated three (3) auditor positions by the Legislature, audits should be performed on insurers whose performance indicate an audit need, e.g., complaints from insureds or how they responded during the certification process. Out-of-state insurers will be difficult to audit since there is no law which requires insurers to maintain offices or keep records in California. When auditing an out-of-state insurer, the LCCU will have to request that files be sent to California, or send auditors out-of-state. Of note, the LCCU has received offers from

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several insurers to allow the LCCU to perform "test" audits of their program for LCCU training purposes.

Q 6: Are you experiencing delays in filling audit positions that were established effective July 1, 1995?

A 6: The DIR Personnel Unit is conducting an examination for the position of "auditor" for the LCCU and DOSH hopes to fill their three positions by mid-year. In the meantime, to allow LCCU to go forward with their auditing function, DOSH has transferred existing DOSH personnel into the LCCU as "auditors".

Q 7: How are insurers selecting the employers who need services?

A 7: The current LCCU regulation allows an insurer to choose its own methodology for selecting employers "with the greatest workers' compensation losses and the most significant and preventable health and safety hazards." See Insurance Code Section 11721. This position still has the strong support of the insurance industry.

As a result, the LCCU has seen an array of "methodologies" from the insurers. Some use the experience modification rating or the loss ratio. Others use governing classifications, a "Hazard Index", SIC Codes, frequency rates or a larger than normal number of claims in general or a specific type of claim (e.g., back injuries).

The LCCU plans to compile a list of the various methodologies and publish this list in 1996 to assist insurers (as required in §11721(d)). The burden of showing that one selection methodology is better for insurers to use than another (and therefore should be mandated by the state) remains on those who can show to the LCCU and the insurer community that one method is more effective than another.

Q 8: Are there legislative modifications or changes needed in order to increase the efficiency of your program?

A 8: DOSH believes that Legislative changes are not needed at this time. DOSH is asking the Loss Control Advisory Committee to consider the following regulatory changes:

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- Establishing a formal certification year which runs from 1 April to 31 March which would provide standardization in the calculation of certification fees and in the gathering and reporting of loss control statistics.
- Narrowing the minimum criteria set forth in the loss control regulation for selection methodologies.
- Requiring insurers electing not to identify insureds by name to do so by policy number or BIN (bureau identification number) to facilitate auditing by the LCCU.

Commissioner Steinberg asked what the drop in the DOSH Loss Control Unit revenue was as a result of decreased workers' compensation premiums due to the elimination of the minimum rate law. Dr. Ciofalo responded that DOSH does not have figures -- the Workers' Compensation Insurance Rating Bureau (WCIRB) changed the format for displaying such statistical information -- but there has been a drop. Mr. Van Cleve added that he has seen very few examples but that his best guess that the drop has been 40 to 45%.

Commissioner Vach noted that as a percentage of the workers' compensation premium, loss control services are static.

Mr. Van Cleve explained that the evaluation process is evolving from a review of documents in the office to obtaining information from the site. He stated that LCCU is doing test audits, implementing some changes and getting good feedback that it is on the right track.

Commissioner Vach asked if the evaluation were quantitative or qualitative. Mr. Van Cleve responded that it was both. He added that currently there was no standard format in which to report the loss control budget but that this will be changed in the regulations.

Chairman Rankin asked how the LCCU issues the certification when the insurance carrier contracts out for loss control services. Mr. Van Cleve replied that the LCCU certifies carriers, not contractors. The Loss Control Unit holds the insurance carriers responsible for loss control services.

Chairman Rankin asked if the insurance industry were cooperating. Mr. Van Cleve said that the great majority of the industry has cooperated. The Loss Control Advisory Group has worked with LCCU to develop the certification process and there has been a lot of dialog between the LCCU staff and insurers. Mr. Van Cleve estimated that about ten percent of the insurers are not as cooperative and a few are

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downright hostile. In response to a question from Chairman Rankin, Mr. Van Cleve said that his remedy was a combination of sweet talk and general arm twisting.

Mr. Van Cleve went on to explain that the LCCU sends out the recertification package 90 days before the expiration of the current certification. The LCCU has a procedure of issuing warning letters to the insurance carriers up to 30 days before the certification expires. If a certification renewal is not submitted 30 days before expiration, the LCCU would notify the Chief of DOSH, who would notify the DIR Director, who then may choose to notify the Insurance Commissioner. Chairman Rankin asked if any insurers had been reported to the Insurance Commissioner and Mr. Van Cleve replied that none had to his knowledge.

Mr. Van Cleve remarked that the loss control program was brand new in California and existed nowhere else in the United States. He and the Loss Control Unit staff have worked with the insurance carriers to do it right.

Commissioner Vach asked if the insurers who are not cooperating are ones that are deficient or are they reluctant to do the paperwork. Mr. Van Cleve responded that both situations occur. For example, some east coast insurers say that their computer systems do not generate the information required by the LCCU.

Chairman Rankin asked if LCCU publicizes the names of the insurance companies which do not cooperate. Mr. Van Cleve replied that the LCCU currently does not, but may do so in the future.

Commissioner Vach asked if large insurers such as the State Compensation Insurance Fund could provide tailored loss control services and experts to specialized employers. Mr. Van Cleve responded that the Loss Control Certification package required the insurers to list the loss control personnel and their qualifications.

*High Hazard*

DOSH Chief John Howard provided handouts (attached) relating to the Cal-OSHA High Hazard Employer Program (HHEP). Included was a brochure entitled "High Hazard Employer Program", fact sheets on "Frequently Asked Questions about the Cal/OSHA Targeted Inspection and Consultation Fund (TICF) Assessment" and "Summary of HHEP Employer Selection Methodologies", and High Hazard Employer Program Statistics for 1995 and 1996.

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Dr. Howard said that the HHEP was designed to reduce preventable occupational injuries and illness and workers' compensation losses through consultative assistance, compliance review, and educational outreach. The High Hazard Employer brochure provides an overview of those services and procedures.

Employers are selected for the HHEP by various methods using experience modification, types of injuries that have occurred, claims frequency, on-site screening, and high hazard industry. The handout entitled "Summary of HHEP Employer Selection Methodologies" provides further details.

Dr. Howard referred to the statistics handout and said that DOSH hoped to increase the number of offer letters sent to 400 to 500 per month and to provide service to 1,200 employers per year.

In 1996, DIR sent invoices for the HHEP assessment directly to the insured employers and notified the insurers which of their insured employers were being billed. Details about the assessment process are contained the fact sheet entitled "Frequently Asked Questions about the Cal/OSHA Targeted Inspection and Consultation Fund (TICF) Assessment".

Dr. Howard summed up the HHEP by saying that there have been problems with the assessment in the past but that the provision of services has gone well.

Commissioner Vach asked about the use of experience modification rates in identifying high hazard employers. Dr. Howard responded that DOSH has to use the x-mod but does not have to believe it. He said that DOSH can assess better on site by looking to see if there are hazards, etc. Dr. Howard said that during the evaluation process, DOSH looks at the Federal OSHA 200 log (a listing of occupational injuries and illnesses incurred by employees of each employer) and talks with employers. If nothing is found, it's considered a "false positive" and DOSH's work is done.

In response to a question from Commissioner Steinberg, Dr. Howard said that the rate of false-positives was 15 to 20 percent.

Dr. Frank Ciofalo addressed the following questions posed by the Commission on the Cal-OSHA High Hazard Industries Targeted Inspection and Consultation program.

Q 9: Is the present method of determining high hazard employers effective?

A 9: The present method to select high hazard employers for purposes of assessing them a fee to fund the High Hazard Employer Program (HHEP)

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is based on the experience modification rating (ExMOD). The present method to select employers for the purposes of providing them consultative assistance to eliminate or reduce their preventable work-related injuries, illnesses, and workers' compensation losses is also based on the ExMOD rating. Coupling between assessment selection and service selection ensures that all assessed employers receive service. This is especially important when the amount that the employer is assessed can range as high as \$2,500.

Q 10: Do you have alternate methods in place or are you considering alternate methods?

A 10: Six selection methodologies are described on the DOSH handout entitled "Summary of HHEP Employer Selection Methodologies", which is attached.

Q 11: Please provide, by fiscal year, the numbers of inspections that have been made.

A 11: Statistical data on the HHEP is contained in DOSH's handout entitled "High Hazard Employer Program Stats 1995 and 1996", which is attached.

Q 12: Is there an overlap between the high-hazard program and the loss control certification program in selecting employers?

A 12: Yes. The LCCU allows an insurer to substitute for an insured on its list of targeted employers another of the insurer's insureds who elects the Insurer Option for provision of HHEP consultative assistance.

Q 13: Are there legislative modifications or changes needed in order to increase the efficiency of your program?

A 13: DOSH reports there are not.

***Report on Commission Projects and Activities***

Chairman Rankin called upon Executive Officer Christine Baker to present a status update of the Commission's activities and projects.



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Ms. Baker said that she would provide an overview of each project and introduce the project coordinators who will give a detailed presentation about each project and answer questions.

*Potential Permanent Disability Study*

Ms. Baker noted that the Commission held a Fact-Finding Hearing on Permanent Disability during its January 18, 1996 meeting in Los Angeles.

The Commission then directed its staff to develop a draft Request for Proposal for a Study of Permanent Disability by an independent research organization. The draft RFP has been prepared and provided to the Commission members. The project timetable was recently revised to meet the requirements of the DIR Accounting Unit. The proposed revision has been distributed to the Commission members.

Subsequent to the fact finding hearing and the development of the RFP, the Industrial Medical Council expressed an interest in joining with the Commission on such a study. The IMC would provide the Commission with up to \$100,000 toward the cost of the study and would request that several additional questions be addressed. After extensive discussion, Ms. Baker and IMC Executive Medical Director Dr. Allan MacKenzie concluded that, should the Commission and the IMC join forces on this study, the IMC component would not delay or take priority over the timeframes established by the Commission. The IMC component could be completed, if necessary, after the fulfillment of the Commission's study requirements. Finally, the \$100,000 would be applied to the total cost of the study.

Ms. Baker then called upon IMC Executive Medical Director Dr. Allan MacKenzie to comment and answer any questions regarding the proposal.

Dr. MacKenzie said that the IMC wants to add questions that would shed light on the nature of impairment and evaluation, particularly the relationship between vocational rehabilitation and permanent disability rating. The dilemma is that there is a tremendous amount of anecdotal evidence for change but there are no valid, unbiased outcome studies on which he and the IMC could determine which way to change.

Dr. MacKenzie expressed the opinion that impairment determinations should be done by physicians and that disability evaluations should be performed by raters, not doctors.

Dr. MacKenzie said that if the Commission offers to include the IMC questions in its study, the IMC would vote on the matter at its meeting next week.

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Commissioner Steinberg observed there seemed to be a natural synergy but asked how the IMC questions related to the permanent disability study; they appear to be more applicable to a study of medical examinations but perhaps the consultant could tie them in. Dr. MacKenzie replied that the questions could be refined and improved as needed and that the answers to those questions could come later in the process.

After some discussion, it was agreed that the questions would be refined and faxed to the Commission members for approval. If the revised questions are acceptable, the Commission will add them to the Permanent Disability Request for Proposal. If consensus is not reached, the questions would be omitted and the IMC would not join with the Commission in the study.

Commissioner Steinberg moved that the Commission include the revised questions, if acceptable, in the Permanent Disability RFP and invite the Industrial Medical Council to join with the Commission in the Permanent Disability Study. The motion was seconded by Commissioner McLeod and passed unanimously.

(Special Note: The questions were refined and accepted by the Commission members. Christine Baker made a presentation about the proposed joint study at the IMC meeting on March 21, 1996, and the IMC voted to join with the Commission and contribute \$100,000 to the cost of the study.)

Following are the questions that were added to the Permanent Disability RFP to meet the needs of the Industrial Medical Council:

- What is the outcome result of injured workers receiving modified or alternative work assignments versus standard vocational rehabilitation in selected states compared to those outcomes in California as determined by the Commission's Vocational Rehabilitation study?
- What is the pertinent literature on 'return to modified work' for temporarily disabled workers and for workers with permanent disability? Incorporate and expand upon such findings determined by the Commission's Vocational Rehabilitation study.
- What is the role in other selected states of the physician in determining how 'impairment' is translated into 'disability'?
- What should be the role of the physician in making that determination in the California system?
- How can consistency be achieved in the medical reporting of industrial injuries and occupational diseases?

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*The Vocational Rehabilitation Reform Project*

The 1993 workers' compensation reform legislation made major changes affecting the level and delivery of the vocational rehabilitation benefit.

The primary objective of the Vocational Rehabilitation Reform Project is to help the Commission in evaluating the impact of the reform legislation on the vocational rehabilitation system. Questions to be answered include: Did the reforms reduce the cost of the rehabilitation benefit for employers? How have changes affected outcomes for injured workers?

The study will establish baseline data for continued monitoring of rehabilitation services and will estimate the impact of reform on the workloads for DWC rehabilitation consultants, caseloads in the DWC Rehabilitation Unit's dispute resolution process, and caseloads in the WCAB system.

Ms. Baker introduced Frank Neuhauser, the project director, to give a status report on the project.

Mr. Neuhauser said that the project team has received information from the DIR Data Processing unit on all Vocational Rehabilitation cases filed in and after 1989. They have received information about 233,000 cases filed through November 1985 and are receiving about 300 additional cases each month.

The project team discovered that the task of sampling these cases was proving to be more difficult than anticipated for the following reasons:

- The Division of Workers' Compensation stopped inputting data into the computer for vocational rehabilitation cases with dates of injury in 1994 and later which were not in dispute.
- The data in the online system is not accurate or complete with respect to types of vocational rehabilitation case closures.

To deal with those difficulties, the project team then adopted the approach of selecting a sample of vocational rehabilitation case files in each DWC district office. But they found that the case files are stored differently in each office and many were slated for destruction. Mr. Neuhauser informed Ms. Baker who contacted DWC and stopped the impending destruction of files. Mr. Neuhauser is now working closely with DWC Rehabilitation Manager Otis Byrd to obtain samples of cases which have been closed for 90 days or more from each office.

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Cases with the following characteristics will be excluded from the sample:

- Not medically eligible for rehabilitation
- AOE/COE status (i.e., the injury arose out of employment or in the course of employment) not determined
- Administrative closure

The next step in the process is records extraction to determine the impairment type and severity, the types and costs of vocational rehabilitation plans, outcomes, and offers of alternative work or other employment, and acceptances or declinations. Ultimately this process will sample and extract data from 1,500 files including 500 to 700 pre-reform claims and 800 to 1,000 post-reform claims.

The survey component of the vocational rehabilitation study consists of surveying the 1,500 injured workers by telephone to obtain additional information. Mr. Neuhauser said that UC Berkeley's Survey Research Center (SRC) estimates that it will be ready to pilot test the survey instrument in a month or so.

The areas of information to be collected by the telephone survey include:

- Pre-injury employment experience
  - nature of and tenure in firm
  - occupation and industry
  - earnings and benefits
- Post-injury employment experience
  - occupation and industry
  - did the injured worker return to work with same employer?
  - when the injured worker returned to work
  - labor force attachment since injured worker became "qualified injured worker"
- Choices that the injured worker would have made under the pre-reform vocational rehabilitation system and the reasons for those choices.
- Impact of the cap on the injured worker's vocational rehabilitation.
- Use of other social services
- Ongoing nature and level of impairment

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A fifty percent response rate is expected from the telephone survey, including those injured workers who could not be located and those who decline to participate. This should result in 750 complete interviews.

In response to a recommendation by the project advisory group, the Rehabilitation project team has also been making an effort to link the Rehabilitation case data with data from the DWC Disability Evaluation Unit. They drew a random sample of rehabilitation cases and Blair Megowan of the DWC Disability Evaluation Unit was able to match up about 30 percent to disability evaluations. The project team is analyzing these results to determine if this approach could offer additional information on rehabilitation cases.

The vocational rehabilitation project team is also beginning what Mr. Neuhauser called a "long and arduous" process to connect with records from the Employment Development Department. This is expected to be achieved next year.

Using a simulation model, the project team expects to have the initial data analysis in June or July 1996. As an estimate as of April 1996, 11% of the vocational rehabilitation cases with 1994 injuries will have been resolved, 50% with 1993 injuries, and 75% with 1992 injuries.

*Medical-Legal Evaluation Study*

The Medical-Legal study is evaluating the impact of medical-legal evaluation reform on California's workers' compensation program.

Questions to be answered include: Have the reforms reduced the number of evaluations? Have cost savings been similar in represented and unrepresented cases? Have the cost savings been similar in northern and southern California? Have unrepresented permanent disability cases taken substantially longer to settle, possibly as a result of the backlog of cases at DWC's Disability Evaluation Unit?

The analysis will be based upon a set of data created by the Workers' Compensation Insurance Rating Bureau (WCIRB) at the request of the Legislature to evaluate the 1989 reforms. Since that time, the WCIRB has continued to collect these data on an annual basis.

Ms. Baker pointed out that the Commission needed to consider whether to extend this project for another year at a cost of approximately \$11,000. Since UC Berkeley has developed a format and analysis, the easiest and most efficient way to continue this project next year is to extend the existing interagency agreement. This would avoid administrative overhead costs and processing time.

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Ms. Baker called upon Frank Neuhauser, the project director, to give a presentation on the findings of the first year of the project. Mr. Neuhauser introduced Andrew Koehler, a graduate student of Public Policy at UC Berkeley.

Mr. Neuhauser distributed a handout entitled "Evaluating the Reforms of the Medical-Legal Process using the WCIRB Permanent Disability Survey: Preliminary Report to the Commission on Health and Safety and Workers' Compensation."

Mr. Koehler stated that preliminary findings indicate that there has been a decline in the average number of medical-legal evaluations per case for injuries occurring from 1989 to 1993 but that the driving forces behind the decline are not clear.

Mr. Neuhauser and Mr. Koehler explained that data for the analysis comes from the WCIRB Permanent Disability Survey. The Survey summarizes accident claim activity, including such measures as the degree of impairment, the type and cost of specialty exams, dispute resolution processes, and, if the case were settled, the method of settlement employed.

The project team recommended that some modifications be made to the survey questionnaire to obtain additional data such as the age of the injured worker, his or her wage, the size of the employer, if a report is from a Qualified Medical Examiner (QME), and the last three digits of the injured worker's zip code. Mr. Neuhauser said that the WCIRB has indicated a willingness to change their questionnaire.

Commissioner Steinberg moved that the Commission extend the Medical-Legal project for one year. Commissioner O'Hara seconded the motion and it carried unanimously.

*Information Services to Injured Workers Study*

The Information Services to Injured Workers project is being conducted in two separate components by UC Berkeley's LOHP and Survey Research Center (SRC). The project includes represented and unrepresented injured workers and examines information services provided by all parties and organizations, not just by the state government.

The objectives of this project are to:

- assess the efficacy of information services designed to help the injured worker get through the workers' compensation system,

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- analyze strengths and areas needing improvement in current information services,
- recommend ways to improve those services, and
- systematically collect information from injured about their experiences with all aspects of the workers' compensation system.

It was originally planned that LOHP would use results from the focus group meetings to help design a mail survey that the SRC would send to 1,000 injured workers in the workers' compensation system. However, as a result of discussion with the Project Advisory Committee, it was determined that the planned mail survey would probably generate an inadequate response for the needs of the study. This finding is based on the project team's experience trying to locate and contact injured workers for the focus groups. A locator service is being contemplated for the mail survey pilot.

Ms. Baker stated that the Labor Occupational Health Program has also submitted a proposal to educate injured workers about workers' compensation. Ms. Baker explained if the Commission chooses to implement that proposal, the easiest and most efficient way would be to extend the existing interagency agreement. This would avoid administrative overhead costs and processing time.

Ms. Baker introduced Julianne Sum, the project director, to give a presentation on the project, and Jim Wiley of SRC to discuss the survey methodology.

Ms. Sum distributed a document entitled "Project to Evaluate Services to Injured Workers in the Workers' Compensation System", which outlines the project methodology and activities.

Ms. Sum said that the project report will be describing in detail many of the experiences injured workers have had with the information and help they got while going through the system, and the impact those services had on getting claims processed and resolved.

In the interim, Ms. Sum reported that the project team heard and saw a great deal of frustration, anger, and sadness among the injured workers who participated in the focus groups. There seemed to be a pervasive feeling of unfairness in not being informed about what would happen in the course of their claims; the perception of being "kept in the dark". Ms. Sum said that the project team has learned about many factors that contribute to worker satisfaction and dissatisfaction with their claims, and have gathered ideas from injured workers on how to improve the system. Ms. Sum referred to a handout entitled "Report of Preliminary Findings Regarding Information Services."

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Ms. Sum said that the project team determined that there is definitely a need for more information for injured workers on what they should do, steps to take, options, timelines, and what to expect. LOHP has submitted a proposal to Ms. Baker for the development of written and/or video informational materials.

Ms. Baker pointed out that the Commission budget would not be finalized until all expenditures from the Symposium were accounted for, and recommended that the Commission defer its decision on the proposed project until its May 23, 1996 meeting.

Jim Wiley of the Survey Research Center explained that their staff would take the insights obtained from the focus groups and determine if those findings were general in the population of injured workers.

Mr. Wiley distributed a handout which outlined the survey component of the study. Issues to be addressed include the provision of services to injured workers, subjective evaluations, and correlations of injured worker experiences and evaluations.

Mr. Wiley said that the survey would consist of samples of cases from the WCAB online system, excluding open cases, lien-only cases and death cases. Open cases are excluded to prevent against exacerbating the dispute. A total of 800 cases will be selected: 200 represented cases with a date of injury in 1993 and closure after January 1, 1994; 200 unrepresented cases with a date of injury in 1993 and closure after January 1, 1994; 200 represented cases with a date of injury in 1994 and closure after January 1, 1995; and 200 unrepresented cases with a date of injury in 1994 and closure after January 1, 1995.

SRC plans to have all the sample cases screened initially by a locator service. SRC will do a first mail-out to the injured workers in all selected cases. A second mail-out will be directed to non-responders and there may be a third mailing if needed. SRC plans to follow up with a telephone interview of accessible non-responders. They expect to achieve 400 complete interviews, 100 from each category of case described above.

***Other Business***

Commissioner O'Hara noted that Assembly Member Dick Ackerman had introduced Assembly Bill 2505 which would abolish the Commission on Health and Safety and Workers' Compensation. Commissioner O'Hara moved that the



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Commission take an "oppose" stand on AB 2505. The motion was seconded by Commissioner Steinberg and passed unanimously.

*Public Comments*

John Sikora of the Association of California State Attorneys and Administrative Law Judges (ACSA) asked the Commission to take a look their concerns about the Division of Workers' Compensation specified in a March 12, 1996 letter to Ms. Baker from Stephen D. Beck. ACSA is requesting that the Commission conduct an investigation of DWC's claims adjudication function. ACSA, the exclusive representative of the workers' compensation judges, is concerned with the manner in which DWC closed the Norwalk office and relocated staff, and has filed an Unfair Labor Practice Charge with the Public Employment Relations Board. The Association also believes that DWC is spending monies on studies inappropriately. Mr. Sikora said last year DWC spent \$160,000 on an ethics study that was criticized by another study for being too limited. Now DWC is spending hundreds of thousands of dollars to contract with Peat Marwick for a study to address issues that he believes the DWC administration itself should determine. Commissioner O'Hara asked if ACSA intended to bring their concerns before the Assembly and Senate Insurance Committees. Mr. Sikora responded that ACSA was in process of so doing.

Willie Washington of the California Manufacturers Association expressed concerns about DOSH's Loss Control and High Hazard programs. Mr. Washington believes that there are loss control models and that it should be a goal for DOSH to come up with a model program. He pointed out that it is the insurers that receive a Loss Control certification, but there is a need to make sure that outsourced loss control providers are doing a good job. Mr. Washington encouraged DOSH to continue to hold insurers responsible. He noted that when insurers are not providing the information that LCCU needs for certification, LCCU has the "ultimate hammer" -- the certification itself.

Mr. Washington stated that he does not believe that the High Hazard Program is going well. In the handout provided by DOSH, Mr. Washington said some sources were not relevant since they were over three years old. He also expressed the opinion that the ExMOD is useful on an interim basis until a better measurement is devised.

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*Future Meetings*

On Thursday and Friday, April 18 and 19, 1996, the Commission will present an educational conference entitled "Challenges in California Workers' Compensation: A Symposium" at the Hyatt Regency Hotel at 5 Embarcadero Center in San Francisco.

The May 1996 meeting of the Commission will be held on Thursday, May 23, 1996, in the first floor auditorium of the State Building at 107 South Broadway in Los Angeles. The Commission does not plan to meet in June 1996.

*Adjournment*

The meeting was adjourned at 1:10 pm by Chairman Rankin.

Attachments:

Meeting agenda

High Hazard Employer Program brochure

"Frequently Asked Questions about the Cal/OSHA Targeted Inspection and Consultation Fund (TICF) Assessment" fact sheet

"Summary of HHEP Employer Selection Methodologies" fact sheet

High Hazard Employer Program Statistics for 1995 and 1996.

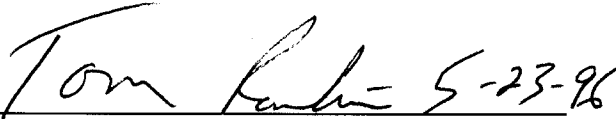
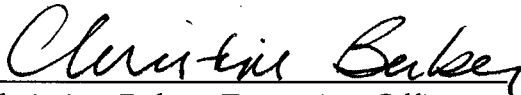
Overview of meetings and interviews for Project to Evaluate Services to Injured Workers in the Workers' Compensation System

"Report of Preliminary Findings Regarding Information Services"

"Issues Addressed in the Survey of Injured Workers"

Approved:

Respectfully submitted,

   
Tom Rankin, Chairman      Date      Christine Baker, Executive Officer